



# PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

## EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate edged down from 7.0 percent in November to 6.9 percent in December, as the Panhandle enjoyed an exceptionally strong start to the winter tourist season. A year before, in December 2002, lack of snow gave the winter tourist season a miserable start, and low lumber prices caused temporary shut-downs of three major lumber mills pushing the unemployment rate up to 9.2 percent. The 1.7 percent increase in *Nonfarm Payroll Jobs* between December 2002 and December 2003, while not impressive, does indicate an economic resurgence, as does the good news in the following area developments.

## AREA DEVELOPMENTS

### Bonner County

- Sandpoint recently achieved a major economic development goal when McCall Aviation announced it would start commuter flights to Seattle and Boise from the Sandpoint Airport on May 3. McCall Aviation, a regional air carrier based in McCall, will offer one round-trip flight to Boise and one round-trip flight to Seattle's Boeing Fields every Monday, Tuesday, Thursday, and Friday. The turbine-powered Cessna Caravans can carry up to nine passengers. The flights will save time and money for the 1,700 businesses in Bonner and Boundary Counties, as well as increasing tourist visits.
- Dover, a city of 350 people three miles west of Sandpoint, is likely to become much larger. Developer Ralph Sletager has won the city council's approval of the conceptual plan for a 195-acre development on the west side of Dover between U.S. Highway 2 and the Pend Oreille River. Up to 600

Panhandle Table 1: Labor Force & Employment

	Dec 2003*	Nov 2003	Dec 2002	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	90,920	91,350	92,210	-0.5	-1.4
Unemployed	6,250	6,410	8,480	-2.5	-26.3
% of Labor Force Unemployed	6.9	7.0	9.2		
Total Employment	84,670	84,940	83,730	-0.3	1.1
<b>Unadjusted</b>					
Civilian Labor Force	91,140	91,480	92,460	-0.4	-1.4
Unemployed	6,990	5,970	9,280	17.1	-24.7
% of Labor Force Unemployed	7.7	6.5	10.0		
Total Employment	84,150	85,510	83,180	-1.6	1.2
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs** - NAICS</b>	69,670	70,260	68,480	-0.8	1.7
<b>Goods-Producing Industries</b>	13,590	14,160	12,910	-4.0	5.3
Natural Resources & Mining	1,620	1,600	1,600	1.3	1.3
Construction	4,890	5,410	4,570	-9.6	7.0
Manufacturing	7,080	7,150	6,740	-1.0	5.0
Wood Product Manufacturing	2,660	2,740	2,700	-2.9	-1.5
Other Manufacturing	4,420	4,410	4,040	0.2	9.4
<b>Service-Providing Industries</b>	56,080	56,100	55,570	0.0	0.9
Trade, Transportation, & Utilities	14,040	13,830	13,690	1.5	2.6
Wholesale Trade	1,370	1,480	1,360	-7.4	0.7
Retail Trade	10,920	10,600	10,560	3.0	3.4
Utilities	380	380	380	0.0	0.0
Transportation & Warehousing	1,370	1,370	1,390	0.0	-1.4
Information	1,140	1,110	1,230	2.7	-7.3
Financial Activities	2,890	2,890	2,950	0.0	-2.0
Professional & Business Services	6,120	6,100	6,770	0.3	-9.6
Educational & Health Services	7,040	7,080	6,880	-0.6	2.3
Leisure & Hospitality	7,780	7,820	7,430	-0.5	4.7
Other Services	2,090	2,090	2,180	0.0	-4.1
Government Education	5,260	5,390	5,000	-2.4	5.2
Government Administration	8,430	8,500	8,340	-0.8	1.1
Government Tribes	1,290	1,290	1,100	0.0	17.3

\* Preliminary estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

homes will be built at the Dover Bay development that will include a marina, a public riverfront park, and trails.

### Boundary County

- Ernie Johnson, owner of the Lantern in Bonners Ferry, plans to turn the 10-room motel with a small restaurant and bar into a "modern truck plaza." Between 700 and 1,000 trucks travel through Bonners Ferry each day. Johnson believes the Lantern, located on Highway 95 on the south side of town, is ideally situated to serve those trucks. The closest full-service truck stops are in Post Falls and Calgary, British Columbia. Johnson plans to build a 15-room motel, a 24-hour 75-seat restaurant, a 6,000-square-foot convenience store, and a new bar. In addition, he will install a 20-

space RV park in the back. Johnson hopes to start construction this summer. After completing the new buildings, Johnson will demolish the current buildings. The Lantern currently employs seven people; after its transformation, it could employ 20 to 30 more people.

### **Kootenai County**

- The New Year began with good news when Verizon announced it was opening a third call center in Coeur d'Alene. The new Verizon LiveSource center, which currently is hiring 300 directory-assistance operators, is in the same building as Verizon's first call center—the National Open Market Center at 7400 Mineral Drive in Coeur d'Alene. In 2003, Verizon employed about 350 people in Kootenai County.
- Center Partners announced February 5 that it would reopen its Coeur d'Alene call center that it closed in December. Center Partners opened the Coeur d'Alene center in March 2001 and added a second call center in Post Falls in January 2002. By late 2002, it employed about 1,100 people at the two call centers in Kootenai County. After the closure of the Coeur d'Alene center, it still employed 400 people in Post Falls. In February, it began hiring 200 workers for the Coeur d'Alene center at 1201 West Ironwood Drive. The new workers will answer customer service questions, including billing issues and product use, for an unnamed telecommunications company.
- Just as one call center was added and one was restored in Coeur d'Alene, another call center announced it was closing. Dakota Direct announced plans to close its call center in downtown Coeur d'Alene in mid-March. About 95 people work for the call center. Dakota Direct offered all of the workers jobs at its call center in Spokane. Dakota opened the contract call center in January 1998, and its employment typically fluctuated between 120 and 180 workers.
- After the closure, Dakota's 9,700-square-foot building facing Lake Coeur d'Alene and the Coeur d'Alene Resort will be transformed into an upscale Asian restaurant. Hagadone Hospitality, owner of the resort, plans to open Bonsai Bistro featuring a bar, Japanese garden with a waterfall, pagoda roofline, and bonsai trees. When the 200-seat restaurant opens in June, it will employ 60 people.
- The Bonsai Bistro news was just one of the Hagadone Corp.'s three major announcements since the beginning of the year. In early January, Duane Hagadone announced the purchase of 38 acres on Blackwell Island where the Spokane River flows from Lake Coeur d'Alene. The purchase includes a 300-slip marina and 200 winter boat storage spaces. Hagadone already owns 900 boat slips on Lake Coeur d'Alene. The U.S. Bureau of Land Management owns 32 acres on the north end of the island. Blackwell Island RV Park also is located on the island.
- Hagadone Hospitality's largest announcement involved plans to build a hotel at its golf course on Lake Coeur d'Alene, and to develop apartments and townhouses along the golf course. The total cost of the five-phase project will be \$50 million to \$75 million. Construction of the hotel, which will have up to 200 rooms, will start in the spring of 2005. The Coeur d'Alene Resort, the premier hotel owned by Hagadone Hospitality on the other side of Tubbs Hill, has 340 rooms.
- When the Gateway Marina in Harrison reopens for the summer in April, it will sport a more elegant look and a new name—Foxfire Marina. Renovations to the business—which includes a marina, restaurant, bar, and convenience store—include a granite bar, stained glass partitions, marble walls, and hardwood floors. The marina is one of Harrison's largest private employers and the centerpiece of its tourism industry.
- All Seasons Apparel Inc., a garment-making concern owned by Mark Gantar, recently moved from the Spokane Industrial Park to Post Falls. One motivation was the rising Washington State minimum wage, which increased from \$7.01 to \$7.16 an hour January 1. Other motivating factors include lower costs of workers' compensation, land, and water. Another benefit of locating in Kootenai County is that the entire county is a HUBzone Empowerment area, where federal government contractors are given preference. Gantar is pursuing several government contracts that could allow All Season's to add up to 150 workers. Gantar brought a management team and 25 workers to Post Falls. Once in Idaho, the base wage was cut to \$5.50 an hour plus piece rate.
- In late 2003, Kootenai County was in danger of losing one of its larger corporate headquarters, Empire Airlines, which hauls freight primarily for Federal Express in 13 western states and British Columbia. It is located at 2115 Government Way

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in Coeur d'Alene where it employs about 50 people. In late 2003, Spokane International Airport offered to build a new aircraft maintenance facility for Empire Airlines. If Empire accepted the offer, it would have moved its corporate headquarters from Government Way in Coeur d'Alene to the Spokane airport. Jobs Plus and the Panhandle Area Council put together a \$3.2 million incentive package that convinced Empire to choose Idaho. Kootenai County will build a new hangar at the Coeur d'Alene Airport to house Empire's maintenance operations that will employ about 40 people. When the hangar is completed in August, a 12,000-square-foot office building will be built at the airport to house Empire's corporate headquarters. Empire will keep 12 workers in Spokane to do light maintenance. Aircraft requiring more extensive work will be ferried to the Coeur d'Alene airport. The Empire move has the potential to add 35 to 40 jobs, as well as help develop Coeur d'Alene Airport and make it more likely to attract other businesses. A major airport expansion planned for this summer includes construction of a north taxiway, allowing the opening of new hangars and businesses.

#### **Shoshone County**

- Formation Capital Corp., based in Vancouver, British Columbia, recently announced plans to reopen the hydrometallurgical refinery at the

Sunshine Mine at Big Creek by this summer. The refinery will refine copper/cobalt concentrates from the company's Idaho Cobalt Project near Salmon, as well as custom refining of gold and silver. Initially, the refinery will employ about 14 people. Employment could rise to 30 people when the refinery reaches full capacity.

- Hecla Mining's Lucky Friday mine near Mullan has major plans for expansion and exploration over the next two years, as mentioned in the January edition of *Idaho Employment*. Those plans already are affecting the mine's employment. It hired six new people in December and seven more in January, bringing employment up to 104 people. Between February and April, it plans to hire 10 more workers.
- Another business recently hired more than 10 Shoshone County workers. Northpoint Financial Group call center in Smelterville hired 15 employees for the center that opened in late February. By the end of the year, it plans to increase its workforce to about 100.

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#### **South Central Idaho News** — (continued from page 16)

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ner of F and Lincoln Streets in Jerome. The primary optometrist, Dr. Richard Murray, has over 20 years of experience and is a Magic Valley native. Currently he practices in the Boise area in addition to his duties at Lifetime Optical. The center offers over 2,000 frames to choose from, including prescription sunglasses and clip-ons. Nearly all insurance plans are accepted. In addition to weekday hours, the center will be open on Sundays at least through its first six months.

#### **Cassia and Minidoka Counties**

- Bob Shepard of Baker City, Oregon, was named the new economic development director of the Mini-Cassia Economic Development Commission. Shepard has served as the economic devel-

opment director at Baker City and in other capacities related to economic development, including regional director for the Small Business Development Center at Boise State University. A review board of local business leaders and members of the Southern Idaho Economic Development Organization selected Shepard from a field of 40 applicants from around the country. He started his new position February 1.

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